



EPA's

“Clean Air Mercury Rule”

May 23, 2006



EPA Findings

- ❖ December 2000: It is “appropriate and necessary” to regulate coal-fired power plants under Section 112 MACT
- ❖ March 15, 2005: Not “appropriate and necessary” to regulate coal-fired power plants under Section 112 MACT
70 Federal Register 15994
March 29, 2005



Two Complementary Rules

- Clean Air Interstate Rule [CAIR]
Section 110(a)(2)(D)
Contribute to nonattainment elsewhere
- Clean Air Mercury Rule [CAMR]
Section 111
New Source Performance Standards



Clean Air Mercury Rule

- 70 Federal Register 28606
- May 18, 2005
- Standards of Performance for New and Existing Stationary Sources:
Electric Utility Steam Generating Units;
Final Rule



CAIR Co-Benefits

- Mercury reductions from control of SO₂ and NO_x in 23 Eastern States and D.C.
- Mercury reductions from ozone season control of NO_x in 25 Eastern states
- CAIR Phase I: 38 TPY Mercury emissions cap by 2010



CAMR Phase I Hg Budget 2010-2017

State/Tribe	'99 Emissions (lbs)	2010 Budget (lbs)	Percent Change
AZ	1,255	908	-28%
CO	510	1,412	177%
MT	942	754	-20%
Navajo Nation	615	1,202	96%
ND	2,048	3,128	53%
NM	2,180	598	-73%
NV	330	570	73%
SD	111	144	29%
TX	10,045	9,314	-7%
UT	283	1,012	257%
WA	530	396	-25%
WY	1,828	1,904	4%



CAMR Phase II Hg Emissions Cap

15 Tons

2018



CAMR Phase II Hg Budget 2018

State/Tribe	'99 Emissions (lbs)	2018 Budget (lbs)	Percent Change
AZ	1,255	358	-71.5%
CO	510	558	9.3%
MT	942	298	-68.4%
Navajo Nation	615	474	-22.9%
ND	2,048	1,236	-39.7%
NM	2,180	236	-89.2%
NV	330	224	-32.0%
SD	111	58	-47.9%
TX	10,045	3,676	-63.4%
UT	283	400	41.2%
WA	530	156	-70.6%
WY	1,828	752	-58.9%



Additional Requirements for New Sources

- New = Commence construction on or after:

January 30, 2004

- New Source Performance Standards
- New sources are included in the emission caps and will need to hold allowances



Optional Cap and Trade Program

- Modeled on Acid Rain Trading Program and NOx Budget Trading Program
- Units serving generators larger than 25 Megawatts that produce electricity for sale
- Hg authorized account executive for each source
- Title V Permit conditions
- Compliance Accounts for Hg Budget sources
- General Accounts for organizations and individuals



Optional Cap and Trade Program

Key Elements

- Allowance management
 - Banking
 - Emissions monitoring and reporting
- Title 40 CFR Part 75
- Compliance determinations
 - Enforcement requirements



Optional Cap and Trade Program

State Flexibility

State rule may deviate from model rule
only in allowance allocation method

- Heat input, heat output or emission reduction-based
- New source set-aside
- Auction, fee, or free
- Permanent or updated periodically



Deadlines for States

- October 31, 2006: Submit initial Hg allowance allocations to EPA
- November 17, 2006: Mercury SIP
- October 31, 2008, and annually thereafter:
Submit Hg allowance allocations under the Model Trading Program



Deadlines for ADEQ

- July 18, 2006: File NPRM with Secretary of State
- Aug. 8, 2006: Open Public Comment period
- Sept. 12, 2006: Public Hearing
- Sept. 18, 2006: NFRM to GRRC
- Nov. 7, 2006: GRRC Meeting